

AMENDED IN SENATE JUNE 18, 2003

**SENATE BILL**

**No. 503**

**Introduced by Senator Florez**

February 20, 2003

---

---

~~An act to add Section 21167.9 to the Public Resources Code, relating to environmental quality. An act to add Section 4979.9 to the Financial Code, relating to consumer loans.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 503, as amended, Florez. ~~Environmental quality: dairies~~  
*Consumer loans.*

*Existing law imposes various restrictions on certain consumer loans defined as "covered loans," including prohibiting a covered loan from including a prepayment fee or penalty after the first 36 months after the date of consummation of the loan and requiring a specified disclosure notice to be provided to a consumer before a covered loan is made. Existing law provides that a "licensed person," as defined, who violates certain provisions regulating covered loans is deemed to have violated that person's licensing law.*

*This bill would authorize a licensed person, subject to the laws regulating covered loans, to make consumer loans on the same terms and conditions as any financial institution chartered under the laws of the United States or any operating subsidiary of a federally chartered financial institution.*

~~The existing California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on~~

the environment, or to adopt a negative declaration if it finds that the project will not have that effect.

This bill would, when an environmental impact report is prepared for a dairy expansion, improvement, or development project pursuant to CEQA, authorize the project applicant to submit the environmental impact report to the Attorney General for review as to whether the environmental impact report substantially complies with all legal requirements. This bill would provide that in an action filed on or after May 1, 2004, challenging the validity of an environmental impact report for a dairy expansion, improvement, or development project, there is a rebuttable presumption of the validity of the environmental impact report if the Attorney General has found that the environmental impact report substantially complies with all legal requirements.

This bill would make certain findings and declarations regarding the inapplicability of a general statute within the meaning of Section 16 of Article IV of the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: —yes no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     ~~SECTION 1. Section 21167.9 is added to the Public~~
- 2     ~~SECTION 1. Section 4979.9 is added to the Financial Code,~~
- 3     ~~to read:~~
- 4     ~~4979.9. Subject to the provisions of this division, a licensed~~
- 5     ~~person is authorized to make consumer loans on the same terms~~
- 6     ~~and conditions as any financial institution chartered under the~~
- 7     ~~laws of the United States or any operating subsidiary of a federally~~
- 8     ~~chartered financial institution.~~
- 9     ~~This section shall not be construed to grant any licensed person~~
- 10    ~~the power or authority to make any particular loan or extension of~~
- 11    ~~credit that it is not otherwise authorized by law.~~
- 12    ~~Resources Code, to read:~~
- 13    ~~21167.9.—(a) When an environmental impact report has been~~
- 14    ~~prepared for a dairy expansion, improvement, or development~~
- 15    ~~project pursuant to this division, the project applicant may submit~~
- 16    ~~the environmental impact report to the Attorney General for~~
- 17    ~~review as to whether the environmental impact report substantially~~
- 18    ~~complies with all legal requirements.~~

1 ~~(b) In an action filed on or after May 1, 2004, challenging the~~  
2 ~~validity of an environmental impact report for a dairy expansion,~~  
3 ~~improvement, or development project, there is a rebuttable~~  
4 ~~presumption of the validity of the environmental impact report if~~  
5 ~~the Attorney General has found that the environmental impact~~  
6 ~~report substantially complies with all legal requirements.~~

7 ~~SEC. 2. The Legislature finds and declares that, due to the~~  
8 ~~unique circumstances applicable to the dairy industry, a statute of~~  
9 ~~general applicability cannot be enacted within the meaning of~~  
10 ~~subdivision (b) of Section 16 of Article IV of the California~~  
11 ~~Constitution. These unique circumstances include the following:~~

12 ~~(a) Milk and cream production is the largest component of~~  
13 ~~California's agricultural output. In 1999, California produced~~  
14 ~~more than \$4 billion worth of milk, cream, and other dairy~~  
15 ~~products.~~

16 ~~(b) Due to the need for extensive processing of raw dairy~~  
17 ~~products, dairy production has a multiplier effect on the economy.~~

18 ~~(c) Dairy production and processing are major sources of~~  
19 ~~high-paying jobs in rural communities.~~

20 ~~(d) Due to environmental concerns, it has become increasingly~~  
21 ~~necessary for dairies to move from one region of the state to~~  
22 ~~another where they can be more appropriately sited.~~

23 ~~(e) It is important to the state's economy, especially in its rural~~  
24 ~~communities, that dairies remain in California.~~

25 ~~(f) In order for re-siting of dairies in California to be~~  
26 ~~economically feasible, dairy owners need reasonable certainty that~~  
27 ~~their environmental documents will not be continually subject to~~  
28 ~~challenge.~~